Together Financial Services Limited
Full Year 2024 Results

Company Registration No. 02939389

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Highlights

Together Financial Services Limited ('Together' or 'the Group'), one of the UK's leading non-bank relationship lenders, is pleased to announce its results for the year ended June 30, 2024.

Commenting on today's results, Mike McTighe, Chairman of Together, said:

"As we celebrate our 50th anniversary I am pleased to report that Together had another strong year, growing our loan book to a new high of £7.4bn while delivering an attractive net interest margin of 5.4% and a 22.8% increase in underlying profit before tax.

"We successfully raised or refinanced over £3.2bn of funding, including a £450m bond, five public securitisations and our first development finance securitisation. We also maintained 75% five-star customer ratings, achieved CCA Global accreditation for customer experience and were awarded 'UK Employer of the Year' in our category by Investors in People.

"While inflation is now in line with the Bank of England's target and interest rates are expected to fall gradually, economic growth is forecast to remain modest. Against this backdrop, we expect many more customers will be underserved by mainstream lenders and look to specialists, like Together, for support. We will continue to be there to help our customers realise their ambitions and to play our part in supporting the UK economy, as we have for the last 50 years."

Financial highlights: year ended June 30, 2024

- Average monthly lending up 7.1% to £249.6m (2023: £233.1m)
    - Conservative weighted average origination LTVs of 56.8% (2023: 58.3%)
- Group net loan book increased by 14.9% to £7.4bn (2023: £6.4bn)
    - Weighted average indexed LTV remains very low at 55.7% (2023: 55.3%)
    - Impairment coverage of 1.9% reflecting the continuing impact of economic pressures on the market (2023: 1.7%)
- Strong growth in net interest income, profits and cash receipts
    - Net interest income up 22.7% to £369.3m (2023: £301.1m)
    - Net interest margin of 5.4% (2023: 5.2%)
    - Annualised cost of risk of 0.79% (2023: 0.73%) due to some expected increases in arrears
    - Underlying cost-to-income ratio improved to 30.0% (2023: 31.8%) due to continued cost discipline
    - Group remains highly profitable and cash generative
        - Underlying profit before tax up 22.8% to £200.9m (2023: £163.6m)
        - Cash receipts up 22.7% to £2.7bn (2023: £2.2bn) as redemptions remained strong

Highlights (continued)

Key metrics	2024	2023
Interest receivable and similar income (£m)	776.3	572.9
Underlying interest cover ratio[1]	1.5:1	1.6:1
Interest cover ratio	1.5:1	1.6:1
Net interest margin[2] (%)	5.4	5.2
Underlying cost-to-income ratio[1] (%)	30.0	31.8
Cost-to-income ratio (%)	31.9	33.5
Underlying cost-to-asset ratio (%)	1.5	1.5
Cost-to-asset ratio (%)	1.6	1.6
Cost of risk (%)	0.79	0.73
Underlying profit before taxation[1] (£m)	200.9	163.6
Profit before taxation (£m)	194.0	158.6
Underlying EBITDA[1]	614.9	441.4
Loans and advances to customers[4] (£m)	7,363.9	6,410.2
Net debt gearing (%)	83.9	82.9
Shareholder funds[3] (£m)	1,159.2	1,118.0
Underlying return on equity[1] (%)	13.7	12.6
Return on equity (%)	13.2	12.3

Shaping our business for an exciting future

- Transformation project initiated to deliver improved customer, broker and colleague experience via a modern, agile and scalable back office and lending and servicing platform
  - Platform will deliver automated first journeys freeing colleagues to focus on customers and brokers, expanded distribution channels and enhanced operational efficiency with better returns
  - Project scope and governance established, ring-fenced team created, delivery plan developed and delivery partners secured
- Continued to strengthen and diversify funding, raising or refinancing over £3.2bn of facilities
  - Issued four public RMBS and one CRE MBS
  - Issued £450m 2030 senior secured notes to support refinancing of 2026 notes
  - Upsized HABS facility for small balance commercial real estate lending to £725m
  - Launched first securitisation facility for development finance
- Richard Rowntree announced as new CEO, with effect from early 2025
  - Henry Moser moving to role of Executive Vice Chairman

Supporting our customers and communities

- Launched partnership with green home expert to help customers improve efficiency of their properties
- Achieved target of financing 1,000 affordable properties, supporting more than 5,483 tenants
- Supported range of deserving charities including Centrepoint, North West Air Ambulance Charity, Manchester Youth Zone, Hideout Youth Zone and The Joshua Tree

1 During the current year the Group incurred £6.9m of transformation costs. (2023: excluded £8.4m discretionary bonus along with a £3.4m release of strategic review costs.)
2 There are no exceptional items impacting upon net interest income recorded in the current or comparable prior years
3 Includes subordinated shareholder loans of £22.8m (2023: £33.7m)
4 Net loan book is the net of gross loans and advances to customers and impairment allowances

An introduction to Together Financial Services Limited

One of the UK's leading specialist mortgage and secured loans providers, Together has successfully operated through several economic cycles since it was established in 1974. We pride ourselves on bringing common sense to lending by helping individuals, families, property investors and small- and medium-sized enterprises ("SMEs") to achieve their ambitions.

We focus on conservative loan-to-value ("LTV") lending and offer retail and commercial purpose mortgage loans to market segments in which customers are generally underserved by mainstream lenders. Our loans include secured first and second-lien loans, of which, as of June 30, 2024, 62.8% were secured by residential properties, with the balance secured by commercial and semi-commercial properties, all within the United Kingdom. We differentiate ourselves by offering flexible lending criteria, responding quickly to our customers' needs and underwriting each application on its individual merits, supported by an effective service proposition, thereby minimising the effect of competition. We offer our loans through one, consistent brand - 'Together' - and distribute them primarily through mortgage intermediaries, our professional network, auction houses, and through our direct sales channels, each across mainland United Kingdom. We underwrite and service all our mortgage loans directly.

As of June 30, 2024, 19.6% of our loan portfolio was classified as residential purpose and 80.4% as commercial purpose (which included 29.2% of buy to let + and 4.1% of development loans), calculated by value. We classify mortgages as residential purpose lending when the mortgage is regulated by the Financial Conduct Authority ("FCA"). Residential purpose loans include loans for purchasing a new home, making home improvements, debt consolidation, large personal purchases and since March 2016 also includes "consumer buy-to-let" loans ("CBTL"). Our residential purpose loans also include regulated bridging loans, which can be used for 'chain breaks' and which are loans used by customers to purchase a new home ahead of completing the sale of their existing home, amongst other things. We classify mortgages as "commercial purpose" where a loan is not defined as residential purpose. Commercial-purpose loans include loans on which the proceeds of the loan or the property securing the loan are used for business purposes. Our classification of a mortgage as either residential or commercial purpose is unrelated to the collateral securing it.

Our underwriting process consists of a detailed and individualised credit, affordability and/or repayment assessment, as well as a security assessment which typically includes an independent valuation, which we believe provides us with a thorough understanding of each loan application. In the underwriting process we primarily focus on affordability, being the ability of the loan applicant to make loan payments in line with agreed terms, and the repayment strategy, where the loan will not be repaid from instalments, and security, being the adequacy of the property which will serve as security for the loan. To support compliance with our underwriting guidelines, we have in place mandate and authorisation controls, a staff training and competency program and quality assurance sampling procedures. This is supported by a formal enterprise risk management framework, which includes a formal committee structure to agree on policy decisions, setting risk appetites and monitoring credit quality and by second and third line oversight, including by risk, compliance and internal audit teams. Additionally, external loan asset audits have been conducted at least annually, pursuant to the terms of certain of our financing arrangements.

Gross loan origination volumes remained strong in the year as we continued to control new originations in response to our operating environment. Average monthly originations of £249.6m during the year reflect our attitude to risk and an underwriting approach that is continually monitored and adjusted to reflect the prevailing macroeconomic environment. These originations resulted in the loan book reaching a new high of £7.4bn at June 30, 2024.

The LTVs of our loan portfolio on a weighted average indexed basis as of June 30, 2024, was 55.7% and the LTV on a weighted-average basis of new loans underwritten in the year ended June 30, 2024 was 56.8%. As of June 30, 2024, 98.5% of the total loan portfolio, calculated by value, consisted of loans with indexed LTVs equal to or less than 80%. This fundamental, long-standing principle of lending at conservative LTV levels, has provided us with significant protection in times of falling property prices and economic downturns, thereby mitigating our levels of credit risk.

Presentation of financial and other information

Financial statements

This report presents the annual statutory financial statements of Together Financial Services Limited as of and for the twelve months ended June 30, 2024, with comparatives to June 30, 2023. The audited consolidated financial statements of Together Financial Services Limited have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

We have not included financial information prepared in accordance with FRS 102 or US GAAP. International accounting standards (IFRS) differs in certain significant respects from FRS 102 and US GAAP. You should consult your own professional advisors for an understanding of the differences between IFRS, FRS 102 and US GAAP and how those differences could affect the financial information contained in this annual report.

Charles Street Conduit Asset Backed Securitisation 2 Limited ("Charles Street ABS 2" or “CABS 2”), Lakeside Asset Backed Securitisation 1 Limited ("Lakeside ABS” or “LABS”), Highfield Asset Backed Securitisation 1 Limited (“Highfield ABS” or “HABS”), Delta Asset Backed Securitisation 2 Limited (“Delta ABS 2” or “DABS 2”), Together Asset Backed Securitisation 2019 – 1 PLC (“Together ABS 3” or “TABS 3 ”),Together Asset Backed Securitisation 2020 – 1 PLC (“Together ABS 4” or “TABS 4 ”), Together Asset Backed Securitisation Together Asset Backed Securitisation 2021–CRE1 PLC (“Together ABS CRE 1” or “CRE 1”), Together Asset Backed Securitisation 2021-CRE2 PLC (“Together ABS CRE 2” or “CRE 2”), Together Asset Backed Securitisation 2022-CRE1 plc (“Together ABS CRE 3” or “CRE 3”), Together Asset Backed Securitisation 2023-CRE1 plc (“Together ABS CRE 4” or “CRE 4”), Brooks Asset Backed Securitisation 1 Limited (“Brooks ABS” or “BABS”), Together Asset Backed Securitisation 2021-1ST1 PLC RMBS (“Together ABS 1ST1” or “TABS 5”), Together Asset Backed Securitisation 2022-2ND1 PLC RMBS (“Together ABS 2ND1” or “TABS 6”), Together Asset Backed Securitisation 2022 – 1ST1 PLC RMBS (“Together ABS 7” or “TABS 7”), Together Asset Backed Securitisation 2023 – 1ST1 PLC RMBS (“Together ABS 8” or “TABS 8”), Together Asset Backed Securitisation 2023 – 1ST2 PLC RMBS (“Together ABS 9” or “TABS 9”), Together Asset Backed Securitisation 2024 – 2ND1 PLC RMBS (“Together ABS 10” or “TABS 10”), Together Asset Backed Securitisation 2024 – 1ST1 PLC (“Together ABS 11” or “TABS 11”), Fairway Asset Backed Securitisation 1 Limited (“Fairway ABS 1” or “FABS 1”) and ADALO Asset Backed Securitisation Limited (“ADALO ABS” or “ADALO”), the bankruptcy-remote special purpose vehicles established for purposes of secured borrowings, are consolidated into our annual statutory financial statements in accordance with IFRS 10 Consolidated Financial Statements. Mortgage loans sold to Charles Street ABS 2, Lakeside ABS, Highfield ABS, Delta ABS 2, Together ABS 3, Together ABS 4, Together ABS CRE 1, Together ABS CRE 2, Together ABS CRE 3, Together ABS CRE 4, Brooks ABS, Together ABS 5, Together ABS 6, Together ABS 7, Together ABS 8, Together ABS 9, Together ABS 10, Together ABS 11, Fairway ABS 1 and ADALO ABS are maintained on the consolidated statement of financial position as assets, within loans and advances to customers and the associated interest receivable credited to the consolidated income statement. The loan notes issued by Charles Street ABS 2, Lakeside ABS, Highfield ABS, Delta ABS 2, Together ABS 3, Together ABS 4, Together ABS CRE 1, Together ABS CRE 2, Together ABS CRE 3, Together ABS CRE 4, Brooks ABS, Together ABS 5, Together ABS 6, Together ABS 7, Together ABS 8, Together ABS 9, Together ABS 10, Together ABS 11, Fairway ABS 1 and ADALO ABS to certain lenders, to finance the purchase of the mortgage loans and any interest and fees accrued on the loan notes but not yet paid in respect thereof, are maintained on the consolidated statement of financial position as liabilities due to creditors with interest and debt issuance costs amortised through the income statement.

Other information (Non-IFRS)

All key performance measures shown in this document are calculated using underlying figures, not the rounded figures used for presentation in this report.

We have included in this report and related presentation, certain financial measures and ratios, including EBITDA, Underlying EBITDA, EBITDA margin, Underlying EBITDA margin, Underlying profit before taxation, Net interest margin, Underlying net interest margin, Return on equity, Underlying return on equity, Cost-to-income ratio, Underlying cost-to-income ratio and certain leverage and coverage ratios that are not presented in accordance with IFRS.

Presentation of financial and other information (continued)

Other information (Non-IFRS) (continued)

In this annual report and related presentation, references to EBITDA for the years ended June 30, 2023 and 2024 for Together Financial Services Limited, can be extracted from the annual statutory financial statements of Together Financial Services Limited, by taking profit after taxation and adding back income tax, depreciation and amortisation and interest payable and similar charges.

In this annual report references to "Underlying EBITDA", "Underlying Profit Before Tax", "Underlying net interest margin", Underlying return on equity and "Underlying cost-to-income ratio" exclude the effects of certain non-recurring items.

For the year ended June 30, 2024, the Group excluded £6.9m of transformation costs whilst June 30, 2023 excluded £8.4m discretionary bonus costs along with a £3.4m release of strategic review costs.

In this annual report references to "EBITDA margin" reflects EBITDA margin for Together Financial Services. EBITDA margin is calculated as EBITDA divided by the sum of interest receivable and similar income plus fee and commission income (derived from the Company's consolidated financial statements).

In this annual report references to "Underlying EBITDA margin" reflects Underlying EBITDA margin for Together Financial Services. Underlying EBITDA margin is Underlying EBITDA divided by the sum of interest receivable and similar income and fee and commission income (derived from the Company's consolidated financial statements excluding the effects of exceptional items[5]).

In this annual report references to "Net interest margin" reflects the net interest margin for Together Financial Services. Net interest margin is calculated by dividing net interest income (derived from the Company's consolidated financial statements) for the year, divided by the average total loan assets.

In this annual report references to "Underlying net interest margin" reflects the Underlying net interest margin for Together Financial Services. Underlying net interest margin is calculated by dividing underlying net interest income (derived from the Company's consolidated financial statements excluding exceptional items[6]) for the year, divided by the average total loan assets.

In this annual report references to "Return on equity" reflects the return on equity for Together Financial Services. Return on equity is calculated as profit after taxation (derived from the Company's consolidated financial statements), adding back shareholder loan interest net of associated tax calculated using the effective tax rate, expressed as a percentage of the average of the opening and closing shareholder funds.

In this annual report references to "Underlying return on equity" reflects the Underlying return on equity for Together Financial Services. Return on equity is calculated as underlying profit after taxation (derived from the Company's consolidated financial statements excluding exceptional items[5]), adding back shareholder loan interest net of associated tax calculated using the effective tax rate, expressed as a percentage of the average of the opening and closing shareholder funds.

In this annual report references to "Cost-to-income ratio" reflects the Cost-to-income ratio for Together Financial Services. Cost-to-income ratio is calculated by dividing administration expenses for the year over net operating income (both derived from the Company's condensed consolidated financial statements).

References to "Underlying cost-to-income ratio" reflects the Underlying cost-to-income ratio for Together Financial Services. Underlying cost-to-income ratio is calculated by dividing underlying administration expenses (derived from the Company's consolidated financial statements excluding the effects of exceptional items[5]) for the year over underlying net operating income (derived from the Company's consolidated financial statements excluding the effects of exceptional items).

5 During the current year the Group incurred £6.9m of transformation costs. (2023: excluded £8.4m discretionary bonus along with a £3.4m release of strategic review costs.)
6 No adjustments have been made in the current or comparable periods.

Presentation of financial and other information (continued)

Other information (Non-IFRS) (continued)

We are not presenting EBITDA-based measures as measures of our results of operations. EBITDA-based measures have important limitations as an analytical tool, and should not be considered in isolation or as substitutes for analysis of the results of operations. Management believes that the presentation of EBITDA-based measures is helpful to investors, securities analysts and other parties to measure operating performance and ability to service debt. EBITDA-based measures may not be comparable to similarly titled measures used by other companies.

EBITDA, Underlying EBITDA, EBITDA margin, Underlying EBITDA margin, Underlying Profit Before Tax, Net interest margin, Underlying net interest margin, Return on equity, Underlying return on equity, Cost-to-income ratio, Underlying cost-to-income ratio and certain leverage and coverage ratios are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of operating performance, cash flows or any other measure of performance derived in accordance with IFRS.

Terms relating to our loan analysis

With the exception of the application of certain forbearance measures we do not reschedule our loans by capitalising arrears. In this annual report, arrears data is based on the latest contractual position and does not take into account either payment plans or agreed changes to payment dates, other than with respect to mortgage-payment deferrals for which the arrears calculation is described in further detail below. Arrears data is further subdivided into performing and non-performing arrears loans as described below.

The Group continues to serve its customers including to support those customers who experience financial difficultly through using our wider forbearance toolkit, and has proactively taken steps to consider the impact of macroeconomic factors such as the rising cost of living, these include review and monitoring of customer affordability assessments; loan book stress testing and scenario analysis; and operational management of such potential shifts in the operating environment including maintenance of existing customer support levels.

Repossessed properties, Law of Property Act ("LPA") receivership in sale status (“LPA Sales”) and development loans are excluded from arrears numbers. LPA receivership in rental status, loans which may return to being performing assets, are included in arrears numbers.

Repossessed properties are properties in respect of which a court order has been actioned by a charge holder to the security, or in respect of which the borrower has surrendered ownership of the property. An LPA receivership is typically used to exercise security over property that is used for commercial purposes, which enables us to sell the property ("sale status"), or divert income streams from properties directly to ourselves ("rental status") which may not lead to an eventual sale process if the borrower is able to recover their position.

Development loans are commercial-purpose loans that we extend to finance the development of land or property, primarily into residential units, with repayments typically being made out of the sale or refinance of property units. We underwrite relatively few new development loans each quarter. Development loans are reported as a separate category of loans within our analysis.

In this report and related presentation, data referring to loan portfolio analysis is in reference to core operating subsidiaries including Together Personal Finance Limited and Together Commercial Finance Limited, as well as the following subsidiaries which no longer originate new advances to customers: Auction Finance Limited, Blemain Finance Limited, Bridging Finance Limited and Harpmanor Limited. Data referring to our loan portfolio analysis is presented after allowances for impairment and include certain other accounting adjustments (including adjustments to recognise income at the effective interest rate).

In this report and related presentation, a loan is considered performing (a “performing loan”) if it (i) has nil arrears or arrears less than or equal to one month of the latest contractual instalment or where no contractual monthly instalment is due, or (ii) “performing arrears loans,” being loans with arrears greater than one month’s but less than or equal to three months’ of the latest contractual instalments, or where cash receipts collected in the prior three months are equal to or greater than 90% of the latest contractual instalments due in the prior three months. The balance of loans are classified as (a) development loans, (b) non-performing arrears loans, where such loans have arrears of greater than three months’ of the latest contractual instalments due and where receipts collected in the prior three months are less than 90% of the three latest contractual instalments due, past contractual term or subject to LPA receivership in rental status and (c) loans for which the security is subject to a repossession order or for which an LPA receiver has been appointed and is under sale status. Such loan categorisation definitions used differ to the categorisations applied in determining if a loan is classified as Stage 1, Stage 2 and Stage 3 under IFRS 9.

In this report and related presentation, the term "performing loans" refers to the aggregate of (i) the principal amount of performing loans outstanding, (ii) accrued interest and fees, (iii) net of any allowances for impairment in respect of such loans, and iv) certain other accounting adjustments (including adjustments to recognise income at the effective interest rate), as of the date presented. The term " non-performing arrears loans" refers to the aggregate of (i) the principal amount of non-performing arrears loans outstanding, (ii) accrued interest and fees, (iii) net of any allowances for impairment in respect of such loans and (iv) certain other accounting adjustments (including adjustments to recognise income at the effective interest rate), as of the date presented.

Non-performing arrears loans do not take into account loans for which the security is subject to a repossession order or for which an LPA receiver has been appointed and is under sale status, all of which are reported as separate categories and are also calculated based on the aggregate of (i) the principal amount, (ii) accrued interest and fees, (iii) net of any allowances for impairment in respect of such loans and (iv) include certain other accounting adjustments (including

Terms relating to our loan analysis (continued)

adjustments to recognise income at the effective interest rate) as of the date presented. Our loan and impairment allowance analysis excludes loans with carrying values of nil for which full provisions are in place.

In this report and related presentation, the term "total loan assets" refers to the total balance of loans provided to our customers as included within our statement of financial position, stated after allowances for impairment. In this report and related presentation, the term "second-lien loans" includes second-lien loans and also subsequent-lien loans.

With respect to originations, Loan-to-Value ratio (“LTV”) is a ratio (reflected as a percentage) of (i) the principal amount of a mortgage loan on origination and (ii) any higher ranking charge mortgage loans secured on the same property compared to the appraised value (typically the assessed value of real property in the opinion of a qualified appraiser or valuer or from an automated valuation model during the mortgage origination process) of the property securing the loan.

In this report and related presentation, the average LTV on originations is calculated on a “weighted average basis,” by multiplying each LTV by the respective principal loan amount and then dividing the sum of the weighted LTVs by the total amount of principal loans.

In respect to our loan portfolio the LTV ratio is a ratio (reflected as a percentage) of the aggregate of (i) the principal amount of a mortgage loan, (ii) any higher ranking charge mortgage loans secured on the same property, (iii) the accrued interest and fees thereon, (iv) net of allowances for impairments and v) certain other accounting adjustments (including adjustments to recognise income at the effective interest rate), compared to the appraised value (typically the assessed value of real property in the opinion of a qualified appraiser or valuer or from an automated valuation model during the mortgage origination process or the revised valuation of the property if a later valuation has been undertaken) of the property securing the loan.

In this report and related presentation, the average LTV of our loan portfolio is calculated on a "weighted average basis," by multiplying each LTV by the respective loan amount and then dividing the sum of the weighted LTVs by the total amount of loans. The weighted average LTV of our loan portfolio is also presented on an "indexed basis," pursuant to which the value of the properties securing our loans are reviewed annual and adjusted for movements in property prices since the latest appraised valuation in accordance with the relevant regional property indices.

With respect to data related to LTV in this annual report and related presentation, the LTV statistics are calculated per each loan on a standalone basis. In certain cases, there are multiple loans with a single borrower (or related borrowers) which are either secured on the same property or with cross security charges in place. If we were to present data related to LTV on a consolidated basis per each borrower or each property, LTV and related data would differ from the data presented herein in certain cases.

Key performance indicators

The following table summarises key financial data and key performance indicators as of the dates and for the periods indicated.

	12 months ended or as at June 30	
(£m, except for percentages and ratios or unless otherwise noted)	2024	2023
Group		
Interest receivable and similar income	776.3	572.9
Fee and commission income	7.9	5.7
Income	784.2	578.6
Net interest margin	5.4%	5.2%
Underlying net interest margin**	5.4%	5.2%
Cost-to-income	31.9%	33.5%
Underlying cost-to-income*	30.0%	31.8%
Cost-to-asset	1.6%	1.6%
Underlying cost-to-asset*	1.5%	1.5%
Impairment charge	54.1	42.4
EBITDA	608.0	436.4
Underlying EBITDA*	614.9	441.4
EBITDA margin	77.5%	75.4%
Underlying EBITDA margin*	78.4%	76.3%
Profit on ordinary activities before tax	194.0	158.6
Underlying profit on ordinary activities before tax*	200.9	163.6
Return on equity	13.2%	12.3%
Underlying return on equity*	13.7%	12.6%
Supplemental cash flow information:		
Cash receipts	2,709.9	2,198.1
New advances	2,994.7	2,797.3
LTV of loan originations (on a weighted average basis, based on LTV of loans at origination)	56.8%	58.3%
LTV of loan portfolio (on a weighted average indexed basis)	55.7%	55.3%

* During the current year the Group incurred £6.9m of transformation costs. (2023: excluded £8.4m discretionary bonus along with a £3.4m release of strategic review costs).

** These underlying metrics include no adjustments in the current or comparable prior periods.

The key performance indicators above for the year ended June 30, 2024 have been derived from the audited consolidated financial statements, which have has been prepared in accordance with IFRS, and management information. In the opinion of management, such financial data reflects all adjustments necessary for a fair presentation of the results for those periods. The financial information should be read in conjunction with the audited consolidated financial statements of Together Financial Services Limited and the accounting policies described therein as at June 30, 2024.

Operating review

The section below provides a more detailed overview of performance in relation to a number of key metrics that management uses when assessing the performance of the business.

Continued focus on LTVs

During the year to June 30, 2024, the Group has continued to focus on prudent underwriting policies and LTVs. The Group continues to target an average of origination LTVs of between 55% and 65% for new loans and continues to focus principally on residential security. The Group has continued to use affordability and repayment assessments to ensure customers are able to service and repay their loans and has enhanced affordability assessments to reflect macroeconomic pressures and increases in the cost of living.

An analysis of the loan portfolio as at June 30, 2024, and June 30, 2023 by arrears banding, for the Group and Borrower Group is set out below:

	Group Loan Portfolio Arrears Analysis		Borrower Group Loan Portfolio Arrears Analysis	
	June 30, 2024	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
Nil Arrears & Arrears ≤ 1 month	**87.2%**	**89.2%**	**57.7%**	**67.4%**
Performing Arrears				
1-3 months	3.6%	2.3%	4.6%	1.9%
3-6 months	0.2%	0.2%	0.5%	0.2%
>6 months	0.2%	0.2%	0.3%	0.4%
Total Performing Arrears	**4.0%**	**2.7%**	**5.4%**	**2.5%**
Development loans	**4.1%**	**4.6%**	**17.0%**	**19.9%**
Total performing Loans & Development Loans	**95.3%**	**96.5%**	**80.1%**	**89.9%**
Non-Performing Arrears				
3-6 months	1.0%	0.9%	3.2%	1.8%
>6 months	1.4%	0.8%	5.8%	1.9%
Past due[1]	0.3%	0.4%	1.3%	1.0%
Total Non-Performing Arrears	**2.7%**	**2.1%**	**10.3%**	**4.7%**
Repossessions & LPA Sales	**2.0%**	**1.4%**	**9.6%**	**5.4%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

[1] Relates to term loans and regulated bridging loans which have gone past stated contractual maturity date.

Operating review (continued)

An analysis of our loan portfolio as at June 30, 2024, by indexed and origination LTV banding, for the Group and Borrower Group is as follows:

Group Loan Portfolio Indexed LTV Analysis (£m)	Performing Loans	Non - Performing Loans	Development Loans	Repossessions & LPA Sales	Total Loan Portfolio
<=60%	3,732.6	121.8	134.5	109.1	4,098.0
>60% <=80%	2,910.2	75.8	74.2	31.9	3,092.1
>80% <=100%	53.1	2.7	89.0	7.1	151.9
>100%	16.6	1.4	1.8	2.5	22.3
Total	**6,712.5**	**201.7**	**299.5**	**150.6**	**7,364.3**

Borrower Group Loan Portfolio Indexed LTV Analysis (£m)	Performing Loans	Non - Performing Loans	Development Loans	Repossessions & LPA Sales	Total Loan Portfolio
<=60%	372.1	73.1	105.4	93.0	643.6
>60% <=80%	338.1	49.1	54.6	14.6	456.4
>80% <=100%	43.6	2.6	46.6	6.8	99.6
>100%	16.3	1.1	1.3	2.5	21.2
Total	**770.1**	**125.9**	**207.9**	**116.9**	**1,220.8**

Group Loan Portfolio Origination LTV Analysis (£m)	Performing Loans	Non - Performing Loans	Development Loans	Repossessions & LPA Sales	Total Loan Portfolio
<=60%	2,923.5	78.1	214.3	62.4	3,278.3
>60%<=80%	3,677.8	112.7	79.1	78.7	3,948.3
>80%<=100%	78.3	5.3	1.7	8.9	94.2
>100%	32.9	5.6	4.4	0.6	43.5
Total	**6,712.5**	**201.7**	**299.5**	**150.6**	**7,364.3**

Borrower Group Loan Portfolio Origination LTV Analysis (£m)	Performing Loans	Non - Performing Loans	Development Loans	Repossessions & LPA Sales	Total Loan Portfolio
<=60%	309.0	49.2	137.2	56.8	552.2
>60%<=80%	364.5	65.9	64.6	50.6	545.6
>80%<=100%	64.1	5.2	1.7	8.9	79.9
>100%	32.5	5.6	4.4	0.6	43.1
Total	**770.1**	**125.9**	**207.9**	**116.9**	**1,220.8**

The indexed weighted-average LTV of the loan portfolio for the total Group at June 30, 2024 is 55.7% compared with the prior year of 55.3%.

The indexed weighted-average LTV of the loan portfolio for the Borrower Group at June 30, 2024 is 58.3% compared with the prior year of 58.1%.

Operating review (continued)

Maintenance of loan portfolio mix and continued differentiation of our offerings

We aim to maintain a diversified loan portfolio mix between retail purpose and commercial purpose lending and security types.

As of June 30, 2024, 19.6% of our loan portfolio was classified as residential purpose and 80.4% as commercial purpose (which included 29.2% of buy to let + and 4.1% of development loans), calculated by value. At June 30, 2023, 22.5% of our loan portfolio was classified as residential purpose, 77.5% of our loan portfolio was classified as commercial purpose (which included 29.9% of but to let + and 4.6% of development loans).

The proportion of our loan portfolio primarily secured by residential security by value remained consistent at 62.8% as at both June 30, 2024 and June 30, 2023.

The proportion of our loan portfolio secured on first charges has increased to 84.1% as at June 30, 2024, when compared with 83.4% as at June 30, 2023.

Controlled origination growth

In the year to June 30, 2024, including further advances, we have originated an average of £249.6m per month, an increase compared with £233.1m per month in the year to June 30, 2023. This generally reflects our ongoing controlled approach to originations that is underpinned by underwriting that is continually monitored and adjusted to reflect the prevailing macroeconomic environment.

Our loans and advances to customers stands at £7,363.9m as at June 30, 2024, compared with £6,410.2m as at June 30, 2023.

Financial review

Interest receivable and similar income increased to £776.3m (2023: £572.9m) reflecting the continued controlled increase in the loan book as well as the impact of the Group's pricing strategy in a higher, but more stable, rate environment.

Interest payable has increased to £407.0m (2023: £271.8m) as a result of the increase in borrowings which has allowed the strategic controlled loan book growth. The increase has also been the result of the rise in cost of borrowing, from higher rates and from refinancing in a higher rate environment.

As a result of the growth in the loan book, and the improved yield, the Group has seen strong growth in its net interest income in the year to £369.3m (2023: £301.1m).

Net interest margin ("NIM") has improved in the year to 5.4% (2023: 5.2%) given the relative stability in rates compared to the previous year and from the Group's pricing strategy. In the previous period, NIM was negatively impacted by a timing lag from passing on increases in funding costs to the variable rate book.

Cost control continues to be an ongoing focus whilst continuing the Group's scalable growth, which has seen administrative expenses as a ratio of income improve to 31.9% (2023: 33.5%).

There have similarly been improvements to the Group's cost-to-asset ratio to 1.59% (2023: 1.62%) which shows the continued ability to manage costs whilst growing the loan book sustainably.

This careful management of our costs has allowed the Group the capacity to invest in its transformation programme which is a significant investment in the business that has commenced in the period. These transformation costs have been excluded from the underlying metrics, with the underlying cost-to-income ratio[6] lowering further to 30.0% (2023: 31.8%), and the underlying cost-to-asset ratio falling to 1.49% (2023: 1.54%).

The Group recognised impairment losses for the year to 30 June 2024 of £54.1m (2023: £42.4m). As a percentage of average loans and advances to customers, this represented an increase in cost of risk to 0.79% (2023: 0.73%).

The increased impairment charge for the year reflects both a growing loan book as well as increased loan loss provisions from additional judgemental post model adjustments where it has been identified that there is potential further risk and due to some increases in arrears which have been observed across the mortgage market. A proactive approach has been taken to identify such additional risk, whilst taking measures to support any customers in difficulty, all whilst protecting our loan book.

The impairment coverage ratio was 1.95% (2023: 1.68%), which has largely been driven by some deterioration in performance as has been expected and observed across the market following a period of high inflation and heightened cost of borrowing in the UK.

Underlying EBITDA[6] was £615.0m for the year to June 30, 2024, up 39.3% compared with £441.4m in the prior year to June 30, 2023 due to the factors detailed above.

Underlying EBITDA margin was 78.4% for the year ended June 30, 2024 compared with 76.3% in the prior year ended June 30, 2023.

Underlying profit before tax[6] increased by 22.8% to £200.9m when compared with £163.6m in the prior year ended June 30, 2023, reflecting the increase in net interest income and ongoing cost discipline as outlined above.

The Group's highly cash generative business model proved robust, with cash receipts of £2.7bn for the year to June 30, 2024 supported by strong levels of redemptions, compared with £2.2bn in the prior year to June 30, 2023.

Net loans and advances to customers have increased by 14.9% to £7,363.9m compared with £6,410.2m as at June 30, 2023.

Shareholder funds have increased by 3.7% to £1,159.2m compared with £1,118.0m at June 30, 2023.

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6 During the current year the Group incurred £6.9m of transformation costs. (2023: excluded £8.4m discretionary bonus along with a £3.4m release of strategic review costs).

Recent developments

Trading update

Monthly cash receipts of principal and interest in July 2024 and August 2024 were £279.0m and £258.9m respectively, compared to a monthly average of £225.8m for the year to June 30, 2024.

Facility Headroom was £0.7bn at August 31, 2024 (June 30, 2024: £0.8bn; June 30, 2023: £0.7bn) and total accessible liquidity was £269.3m at August 31, 2024 (June 30, 2024: £336.3m; June 30, 2023: £248.0m).

New originations

Monthly mortgage originations in July 2024 and August 2024 were £288.5m and £259.1m respectively – compared to a monthly average of £249.6m for the year to June 30, 2024.

Funding

Also in August 2024, the Group refinanced its DABS facility, securing an additional £200m of funding to the existing £400m facility and extending the maturity date to December 2028.

In September 2024, the Group announced the pricing of a further RMBS, Together Asset Backed Securitisation 2024 – 1ST2 PLC (TABS 12), totalling £445m.

Significant factors which may affect results of operations

Economic environment

The UK lending market has had to adjust to the rapid shift away from the ultra-low interest rate environment of the last decade, with higher costs of borrowing for both lenders and consumers. This financial year has seen more rate stability, although at higher levels than over the last decade, with the Bank of England's Base Rate remaining at 5.25% for the majority of the financial year.

With these higher costs of borrowing both for the Group and for our customers, Together has had to be agile with repricing products at the right level, as well as ensuring funding is secured at the right price to deliver the appropriate level of returns. Further information on our net interest margin in the year has been included on page 14.

These higher costs of borrowing can impact the affordability of lending for customers, which has slowed some growth in the mortgage market and can lead to some tightening of lending criteria particularly where changes are applied to all loans processed via automated models which are more commonly used by the larger institutions. This can create opportunities for specialist lenders who are able to be more flexible and make case-by-case decisions regarding those who are underserved by other lenders.

House prices on the whole have remained more resilient than previous market forecasts, likely as a result of the ongoing shortage of housing stock in the market which leads to demand outstripping supply.

However, challenges remain in relation to price falls on certain property types and in some regions. Together protects against this risk by means of its long-standing principle of lending at conservative LTVs, which gives the Group protection from property price falls

After the recent periods of higher inflation in the UK, the rate of inflation has now reduced to the Bank of England's target of 2.0% in the year to June 2024, down from 7.9% in the prior year, although the previous high inflation has led to a permanent increase in costs for businesses and consumers which can present affordability challenges.

The Group has the tools to support customers who are facing cost pressures, focusing on delivering good customer outcomes and supporting vulnerable customers. When making lending decisions, the Group assesses affordability for its prospective customers, considering the impact of higher cost of living and high interest rates, along with undertaking appropriate stress testing, ensuring sustainable and controlled growth of our mortgage book.

Significant factors which may affect results of operations (continued)

Property market

Together operates in a number of specialist segments of the UK mortgage market, helping customers who are typically underserved by mainstream banks.

Together has a substantial lending exposure to the residential and commercial property sectors. Any property value falls or adverse changes in the economy may lead to a rising number of defaults or a reduction in the amount recovered in the event of default.

Whilst house price inflation turned negative for the first time in more than 11 years, there was a small reversal in this trend over the last few months of the calendar year. The expectation by certain market forecasters however is that house price inflation will potentially continue to be marginally negative over the course of 2024 overall.

The Group lends at prudent LTVs at origination to provide protection from falls in property prices. Average origination LTV was 56.8% for the year to June 30, 2024, compared to 58.3% for the year to June 30, 2023.

Together is a national lender and has a loan portfolio which is diversified across the UK, with less than 25% concentrated in the London region where property prices have tended to fluctuate to a greater extent. Our London portfolio is not focused on 'Prime' central London properties and, with weighted average loan-to-value ratios in line with the average of our portfolio for the rest of the country, we consider this provides a level of mitigation against moderate house price falls in such areas.

Competition

The competitive landscape contains risks from new entrants, increased competition from incumbent lenders and disruptive products/software solutions potentially affecting lending activities. The effect of this could result in lower lending volumes, higher customer attrition and/or, lower net interest margins.

Competition in the mortgage lending industry can take a number of forms, including interest rates and fee competition, underwriting criteria, convenience and customer service, and marketing and distribution channels.

The risk of competition has been incorporated into the Group's forward planning process and the external market is regularly monitored.

The Group continues to offer a broad product range to underserved segments of the market and benefits from a rich pool of experienced and skilled underwriters.

The Group has continued to progress a number of key modernisation and transformation initiatives to optimise application journeys, improve user experiences for our customers and intermediaries and increase operational efficiency.

The longevity of the Group's trading has resulted in the development of long-term relationships with both intermediaries and individuals providing access to both new and repeat customers. In addition, our diverse range of products, flexible approach to underwriting and experience means that we have the ability to attract and retain customers who are not serviced by other lenders, protecting our competitive position. The Group will continue to monitor the external environment and is confident, given this experience, gained over many economic cycles, that it will remain competitive in the segments in which it operates.

Mainstream lenders (including high street banks) continue to focus on their core businesses of fully automated credit decisions which excludes certain customers, property or transaction types.

This has encouraged a number of new entrants, or re-entrants in recent years into the market in the form of non-bank lenders or newly formed challenger banks and has resulted in or may further result in increased competition in certain segments of the market where we operate and in turn result in lower yields.

Uncertain economic times may result in mainstream lenders further tightening criteria as they seek to focus on their core markets. Other less established specialist lenders may also curtail lending as funding options may become more restrictive. This may provide increased lending opportunities for established specialist lenders like Together.

Significant factors which may affect results of operations (continued)

Liquidity and funding

We fund our total loan assets from cash generated by operations, shareholder reserves, the subordinated shareholder funding, senior secured notes, a revolving credit facility, residential mortgage-backed securitisations, commercial mortgage-backed securitisation and through other asset-backed facilities. The volume of loans we are able to originate is limited, in part, by the amount and terms of funding available to us along with the level of our capital reserves.

A key driver of liquidity risk within the Group arises from a number of private securitisation facilities being subject to portfolio covenants and eligibility restrictions including concentration limits and performance measures. Amongst other requirements, such covenants limit the proportion of loans in arrears and on an individual loan basis the level of arrears determine eligibility for such facilities. In certain circumstances assets can be exchanged, repurchased or additional capital can be injected into the facilities to support compliance with facility terms thereby maintaining access to liquidity provided by such facilities. Failure to comply with facility terms or breach of non-curable performance covenants will cause such facilities to go into early amortisation, with removal of undrawn facility headroom and deferral of cash flows to the Senior Borrower Group (as defined in the group structure on page 22). Increasing arrears, as a result of the wider economic downturn, increases the risk that insufficient eligible assets will be available to ensure facilities remain in compliance with covenants, and thus able to provide a source of liquidity and funding for the Group. The Group monitors such covenants and carries a level of cash and eligible assets to support the private securitisation facilities in a stress event in line with set risk appetites.

The Group also benefits from a business model which is ordinarily cash-generative with a high level of redemptions which is a key source of liquidity. Continued economic uncertainty may lead to a reduction in the level of cash inflows. Stress testing undertaken includes the impact of severe haircuts to expected redemption inflows.

The liquidity and funding risks arising from reducing levels of eligible assets and/or the risk of lower levels of cash inflows from redemptions can be mitigated by increasing the amount of liquidity resources held as cash. A key management action to generate net cash inflows is the ability to control levels of new lending. As at June 30, 2024 cash balances remained significantly above risk appetite, at £336.2m (June 30, 2023: £322.8m), of which £84.1m is unrestricted cash (June 30, 2023: £84.3m) as shown in Note 11.

The Group has a strong track record of successful refinancing and raising new facilities, and has continued to increase its bank and investor base during recent transactions ensuring that existing facilities are refinanced sufficiently ahead of their maturity dates to allow for any market disruption. The ongoing conflicts in Ukraine and the Middle East and the resultant increases in energy and non-energy costs and interest rate rises had caused some market uncertainty and constrained certain funding markets and / or had a negative impact on commercial terms. Whilst this has improved recently, continued future uncertainty or further negative economic data may restrict the ability of the Group to complete further funding transactions, at least in the short term, or may have a further negative impact on commercial terms available.

Some of the Group's funding is subject to financial covenants. Note 2 to the audited consolidated financial statements provides further detail on the assessment of the going concern basis of preparation. This includes an assessment of the risks presented to the Group by any potential breaches of lending covenants including potential mitigating actions.

Interest rate environment

The period of rapid rate rises has abated in FY24, with the Bank of England holding rates at 5.25% since August 23 before a 0.25% cut in August 24.

Any increase in prevailing interest rates increases the cost of servicing some of our borrowings. Although our total loan assets mainly consist of variable rate mortgage loans and we have the right in respect of such loans to increase pricing if our own funding costs increase, our level of arrears and ultimately cash flows may be adversely affected if we increase the pricing of our customers' mortgages in relation to any potential increases in our funding costs. In addition, there is a timing difference between the impact of rising interest rates, which have an immediate impact on the costs of our borrowing facilities, but which are not immediately passed onto customers, given governance and operational factors as well as contractual notice requirements.

Significant factors which may affect results of operations (continued)

Interest rate environment (continued)

The Group raises funding using a mix of fixed and variable funding which provides some natural offset in movements in interest rates on assets and liabilities.

In addition, the Group undertakes hedging transactions to provide further mitigation against mismatches in fixed and floating rates and undertakes stress analysis on any remaining mismatches.

An increase in interest rates can also adversely affect the credit quality of the customers to whom we lend and our loan origination volumes as loans may become less attractive to customers.

The Group maintains strict underwriting criteria which include, where appropriate, stressing affordability under a higher interest rate environment.

Regulatory considerations

The Group has certain subsidiaries which are authorised and regulated by the FCA in addition to subsidiaries which undertake unregulated lending. We also have to comply with the relevant UK regulations including anti-money laundering regulations, the General Data Protection Regulations and the UK Securitisation Regulation.

Changes in regulation may impact the way in which the Group conducts its business. Failure to comply with regulation could result in fines, reputational damage and potential revocation of regulatory permissions.

The Group takes all regulatory considerations seriously and have compliance, legal and governance functions in place to monitor compliance with these requirements.

Given that we operate in the regulated markets we are at risk of failing to comply with existing regulation and the potential impact of changes in regulation on our activities. From time to time, we may identify, including through our compliance and internal audit functions, regulatory breaches or potential regulatory breaches or other issues related to compliance matters.

Disclosures in respect of these considerations can be found in Note 20 to the audited consolidated financial statements.

Significant factors which may affect results of operations (continued)

Risk factors

This annual report contains statements that are, or may be deemed to be, forward-looking statements. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “aims,” “believes,” “estimates,” “anticipates,” “expects,” “intends,” “may,” “will,” “plans,” “predicts,” “assumes,” “shall,” “continue” or “should” or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industries in which we operate to differ materially from those expressed or implied by the forward-looking statements contained in this report. These factors include among others:

- the impact of economic conditions on our results of operations and financial condition;
- the impact of the United Kingdom’s exit from the European Union;
- any further impact of Covid-19, or any future mutation of Covid-19, (or similar infectious diseases), and the impact of the related vaccines and medications, on the global and UK economy and resultant impact on our liquidity position, capital position, funding capability, capital markets, operational risk profile, portfolio credit risk profile, reputation, results of operations and financial condition;
- the impact of the war in Ukraine on the UK economy;
- the impact of a downturn in the property market;
- our ability to accurately identify the credit profile and behaviours of our customers;
- our ability to accurately value properties;
- our ability to act proactively to minimise the risk of repossession and potential losses in the event of a repossession;
- our ability to detect and prevent fraud during and after the loan underwriting process;
- the impact of the changing financial circumstances of our customers including rising inflation and interest rates and the cost of living pressures;
- the impact of rising unemployment, higher cost of living, higher interest rates or a reduced ability of our customers to service their mortgage loans;
- the impact of shortages of labour or materials affecting individual or business income
- our relationships with mortgage intermediaries, professional networks and other distribution channels;
- the impact of competition;
- legislative, taxation and regulatory changes affecting our ability to operate or the profit generated from our activities;
- the effectiveness of our compliance, Enterprise Risk Management Framework and internal audit functions;
- failure to comply with current, past or future regulatory rules or guidance, or the retrospective interpretation thereof, or to treat customers fairly;
- failure to identify and offer the appropriate treatment to vulnerable customers;
- our exposure to the cost of redress, the cost of delivering redress, potential regulatory sanctions and fines;
- the impact of rising interest rates and deterioration in economic conditions and the impact on our ability to obtain financing or obtain financing at competitive rates;
- changes to the ways in which the United Kingdom regulates the loan industry and other regulatory changes;
- the impact and cost associated with greater prudential regulation;
- changes or uncertainty in respect of SONIA or other benchmarks that may affect our sources of funding;
- the impact of new initiatives by the UK Government that may affect our business;

Significant factors which may affect results of operations (continued)

Risk factors (continued)

- the impact, costs and settlements associated with dealing with claims made from claims management companies and/or claimant law firms;
- the impact of litigation;
- loss of a material number of employees being available due to a health crisis including Covid-19 (or other similar infectious diseases) and changes in working practices following Covid-19;
- our ability to retain our senior management and our underwriters, account executives, sales personnel, client facing employees and key individuals;
- failure to operate effectively and in line with regulations and legal requirements while working remotely;
- failure to operate a safe workplace in breach of health and safety regulations (including in response to any epidemic or pandemic);
- interruption or loss of our information processing systems or third party systems we use or failure to maintain secure information systems (including as a result of cyber-attacks);
- technological changes and failure to adequately anticipate +/or respond to these changes;
- the accuracy of our systems, data and models to correctly report our financial condition and forecasts;
- our substantial debt obligations and our ability to operate within financial covenants;
- access to debt markets and our ability to refinance our debt and raise new debt at acceptable cost;
- imbalances in maturity between our total loan assets and our sources of funds affecting the capacity to expand our business;
- our ability to benefit from special corporation tax regimes for securitisation companies;
- our ability to execute our modernisation and transformation priorities;
- the potential for conflicting interests between the shareholder and third-party funding providers;
- exclusion of US GAAP financial information; and
- changes in accounting standards.

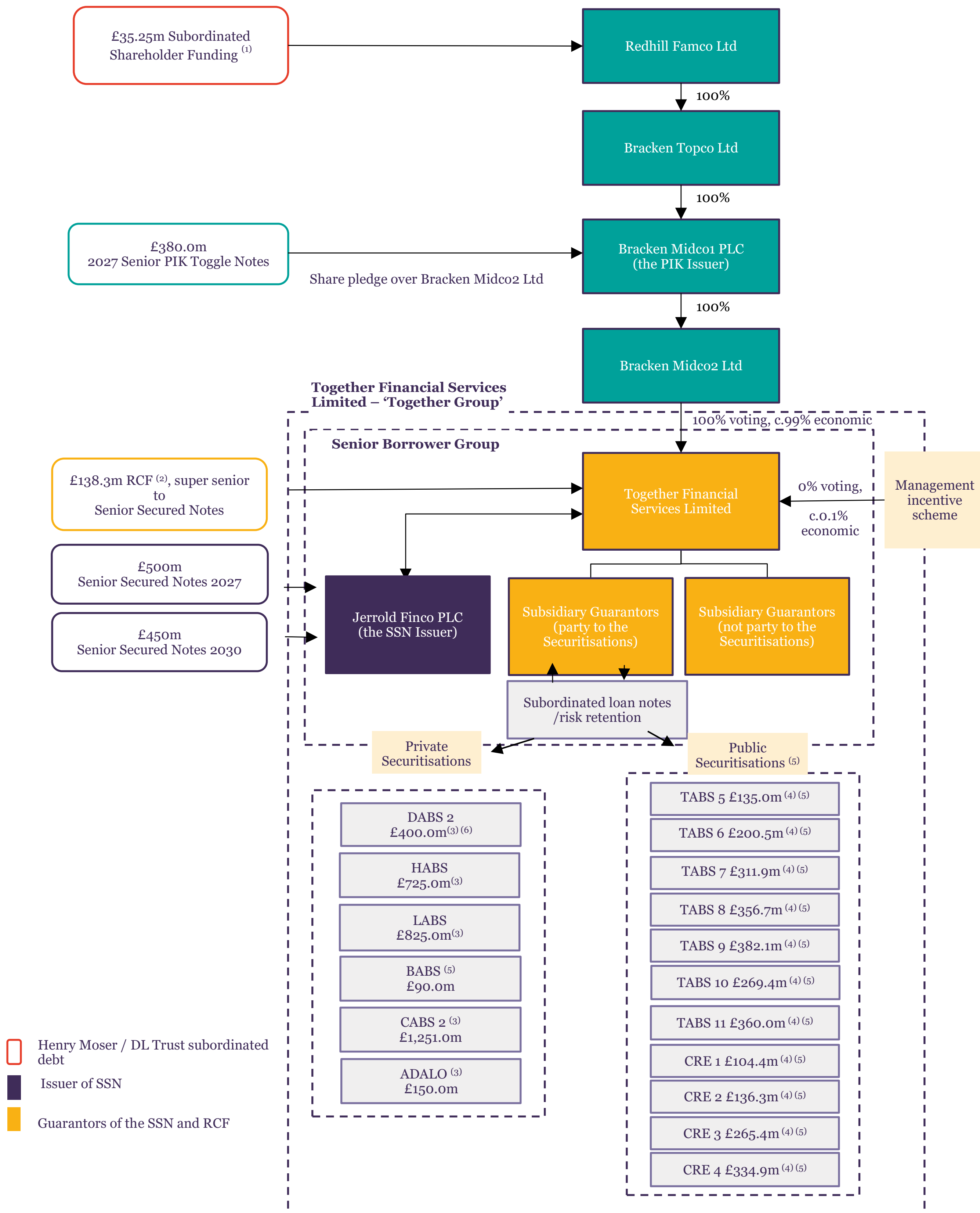
These risks are not exhaustive. Other sections of this report describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industries in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as of the date of this annual report, and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this report. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this annual report. As a result, you should not place undue reliance on these forward-looking statements.

Summary corporate and financing structure

The diagram below provides a simplified overview of our corporate and financing structure on a consolidated basis as at June 30, 2024.

The diagram does not include all entities in our Group nor does it show all liabilities in our Group.



(1) Subordinated shareholder funding based upon nominal value
(2) Total facility size, undrawn at June 30, 2024.
(3) Total facility size
(4) Outstanding Principal balance – senior notes
(5) Amortising
(6) In August 2024, the Group refinanced its DABS facility, securing an additional £200m of funding to the existing £400m facility and extending the maturity date to December 2028.
(7) In September 2024, the Group announced the pricing of a further RMBS, Together Asset Backed Securitisation 2024 – 1ST2 PLC (TABS 12), totalling £445m.

Summary results and financial position of Bracken Midco1 PLC

The tables below set out the unaudited consolidated financial statements and financial position of Bracken Midco1 PLC, the issuer of 2027 Senior PIK Toggle Notes and its subsidiaries, compared to the audited consolidated results and financial position of Together Financial Services Limited and its subsidiaries, for and as of the year ended June 30, 2024.

	Year ended June 30, 2024		
	Together Financial Services Ltd £m	**Adjustments £m**	**Bracken Midco1 PLC £m**
Profit before tax [1]	**194.0**	**(25.4)**	**168.6**

	As at June 30, 2024		
	Together Financial Services Ltd £m	**Adjustments £m**	**Bracken Midco1 PLC £m**
Assets			
Cash and balances at bank	336.2	0.6[2]	336.8
Loans and advances to customers	7,363.9	-	7,363.9
Derivative assets held for risk management	15.6	-	15.6
Other assets	10.1	(0.4)	9.7
Property, plant and equipment	30.3	-	30.3
Intangible assets	13.2	-	13.2
Deferred tax asset	6.2	-	6.2
Total assets	**7,775.5**	**0.2**	**7,775.7**
Liabilities			
Loan notes	5,564.7	-	5,564.7
Senior secured notes	950.0	-	950.0
Fair value adjustment on senior secured notes	2.7	-	2.7
Senior PIK toggle notes	-	380.0[3]	380.0
Obligations under finance leases	28.4	-	28.4
Debt issue costs	(25.3)	(1.2)[4]	(26.5)
Total borrowings (excluding subordinated shareholder funding)	**6,520.5**	**378.8**	**6,899.3**
Other liabilities	87.8	5.3[5]	93.1
Derivative liabilities held for risk management	4.4	-	4.4
Provisions for liabilities and charges	3.2	-	3.2
Current tax liabilities	0.4	-	0.4
Total liabilities	**6,616.3**	**384.1**	**7,000.4**
Equity			
Subordinated shareholding funding	22.8	(12.2)	10.6
Shareholder's equity	1,136.4	(371.7)	764.7
Total equity	**1,159.2**	**(383.9)**	**775.3**
Total equity and liabilities	**7,775.5**	**0.2**	**7,775.7**

(1) Presented to reflect the full annual consolidated profit of Together Financial Services Limited and Bracken Midco1 PLC (also incorporating Bracken Midco2 Limited) respectively

(2) Represents cash and cash equivalents held within Bracken Midco1 PLC and Bracken Midco2 Limited

(3) Represents the additional borrowings in the form of £380.0m 2027 Senior PIK Toggle Notes

(4) Represents unamortised debt issue costs associated with the issuance of the 2027 Senior PIK Toggle Notes

(5) Includes interest accrued on the 2027 Senior PIK Toggle Notes

(6) Represents the carrying value of shareholder funding owed to Bracken Topco Limited by Bracken Midco1 PLC

Summary results and financial position of Bracken Midco1 PLC (continued)

For the year to June 30, 2024, interest payable and similar charges for Bracken Midco1 PLC was, on a consolidated basis £432.3m compared to £406.9m for Together Financial Services Limited. The £25.4m variance comprises £26.5m of interest payable and debt issue amortisation on the Senior PIK Toggle, plus £1.1m unwind of the fair value adjustment in respect of intercompany loan amounts owed to Bracken Topco Limited, less the elimination on consolidation of £2.3m of fair value unwind at Together Financial Services Limited on intercompany loans owed to Bracken Midco2 Limited.

Annual report and audited consolidated financial statements

The annual report and audited consolidated financial statements within the 'Results, reports and presentations' section of Together's investor website (togethermoney.com/investors), show the financial performance for the year to and as at June 30, 2024.

Comparatives for these audited consolidated financial statements are as follows:

- Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows have comparatives for the year to June 30, 2023;
- Consolidated Statement of Changes in Equity have comparatives for the year to June 30, 2023; and
- Consolidated Statement of Financial Position have comparatives as at June 30, 2023.